

Louisiana Medicaid MCO Association (LMMCOA)
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January 2, 2018

Jen Steele
Medicaid Director
Louisiana Department of Health
628 North 4th Street
Baton Rouge, LA 70802

Dear Jen,

The Louisiana Medicaid Managed Care Organization Association (“LMMCOA”) submits this protest on behalf of all Louisiana Medicaid Managed Care Organizations (“MCO”). Specifically at issue is the imposition of the \$250,000 penalty for each MCO and their respective failures to meet the Louisiana Department of Health (“LDH”) Performance Guarantee target for Emergency Department (“ED”) Visits per 1000 Member Months.

LMMCOA questions the validity of the target given that all MCOs missed the target by significant margins. The goals published for MCOs in the *2017 Healthy Louisiana Performance Measures: Guide for MCO Reporting* were based on targets originally published during 2016. With the carve-in of expansion population, the shift in demographics clearly increased all utilization. At the time the target was established, LDH did not have the benefit of experience with this population on which to base a target for ED visits. Therefore, without Expansion Population claims experience factored into the development of the target, such target is inaccurate and creates a “failure only” formula. The same hindrance applies to the plans. Without adequate data upon which to base an objection, it was impossible to make a rational argument for a different goal.

Due to the significant challenges faced with reducing ER utilization in August of 2018, LDH asked Dr. John Couk from the LSU Health Science Center in New Orleans to meet with all MCOs separately to discuss potential interventions to curb ER utilization. Dr. Couk presented to the 2018Q2 Medicaid Quality Committee where he referred to the “tremendous challenges” all players in the healthcare system face regarding ER utilization. From that presentation, it was recommended that MCOs pursue a tiered approach to the ED utilization challenges with one region selected as a pilot. These recommendations have not been fully implemented and could provide much needed data for a more accurate goal.

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Even Mercer, in its “Quality Withhold Analysis” prepared in advance of the contract extension amendment in August 2017, advised LDH that the only measure it “doesn’t consider reasonably attainable in rate development is the Emergency Department measure”.

Further, the LMMCOA recommends using a target for each plan that is risk adjusted for specific plans, taking into consideration its proportion of Medicaid Expansion members.

Given the inadequate data upon which to base a target that included the nearly 500,000 new recipients, and having inadequate data and time for the MCOs to provide feedback, LMMCOA respectfully requests that LDH rescind its monetary penalty for ED utilization.

Sincerely,



Kathy Kliebert
